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Proposed counsel to Alrose King David LLC

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

ALROSE KING DAVID LLC,

Debtor.

Chapter 11

Case No. 16-10536 (____)

**DEBTOR'S MOTION FOR ENTRY OF AN ORDER DIRECTING
JOINT ADMINISTRATION AND MANAGEMENT OF CHAPTER 11 CASES**

Alrose King David, LLC, as debtor and debtor in possession in the above-captioned chapter 11 case (the "Debtor"), by and through its undersigned counsel, upon consultation with Kenneth P. Silverman, Esq. (the "Allegría Trustee") as chapter 11 trustee of the estate of Alrose Allegría LLC ("Allegría"), hereby moves (the "Motion") this Court for entry of an order, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), and Rule 1015 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), administering its chapter 11 case with the chapter 11 case of its affiliate, Allegría, solely for procedural purposes. In support of the Motion, the Debtor submits the Declaration of Allen Rosenberg in Support of Debtor's Chapter 11 Petition and Request for First Day Relief (the "First Day Declaration"), filed contemporaneously herewith, and respectfully state as follows:

JURISDICTION

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory basis for the relief sought herein is section 105 of the Bankruptcy Code and Rule 1015 of the Bankruptcy Rules. Venue of the Debtors' chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. § 1408 and 1409.

BACKGROUND

2. On March 4, 2016 (the "Petition Date"), the Debtor filed with the Clerk of the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor plans to continue to manage its property pursuant to section 1107(a) and 1108 of the Bankruptcy Code as debtor-in-possession.

3. Information regarding the Debtor's business, capital structure, and the circumstances leading to the commencement of this chapter 11 case is set forth in the First Day Declaration of Allen Rosenberg [ECF 2], filed contemporaneously herewith.

RELIEF REQUESTED AND BASIS THEREFOR

4. In consultation with the Allegria Trustee, the Debtor hereby seeks the joint management of the Debtor's chapter 11 case with Allegria's chapter 11 case, pursuant to section 105(a) of the Bankruptcy Code and Rule 1015(b) of the Bankruptcy Rules.

5. The Debtor and Allegria are affiliates and have interrelated business operations and overlapping creditors. As such, the joint management of the procedural matters respecting these cases, including holding joint hearings, will expedite and make administration more efficient for both cases and will dispense with the need for duplicative hearings, motions, applications, notices, and orders, which will save significant time and expense for the Debtor, Allegria and their estates.

6. Rule 1015(b) of the Bankruptcy Rules provides, in pertinent part, that “[i]f a joint petition or two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Rule 1015 of the Bankruptcy Rules promotes the fair and efficient administration of multiple cases of affiliated debtors while protecting the rights of individual creditors. *See, e.g., In re Reider*, 31 F.3d 1102, 1109 (11th Cir. 1994); *In re N.S. Garrott & Sons*, 63 B.R. 189, 191 (Bankr. E.D. Ark. 1986).

7. The Debtor has filed the First Day Affidavit which demonstrates that joint administration of the Debtor’s and Allegria’s cases is warranted and will ease the administrative burden for the Court and the parties. The Debtor and Allegria are affiliates as that term is defined in section 101(2) of the Bankruptcy Code by reason of their common ownership. Accordingly, the Court may grant the relief requested pursuant to Rule 1015(b) of the Bankruptcy Rules.

8. Because the Debtor and Allegria are affiliates with related rights to the assets of their estates and interrelated business operations and overlapping creditors, it is expected that there will be many notices, motions, applications, hearings, and orders directly affecting both the Debtor and Allegria. If these two cases are not jointly managed, then there will likely be numerous duplicative pleadings that would have to be separately filed and served, which would result in inefficiency and waste.

9. Joint administration would promote efficiency of case management and allow the Clerk of the Court to use a single general docket for both cases and to combine notices in order to ensure timely and proper notice to creditors of each Debtor’s estate and other parties-in-interest. The respective creditors of each of the Debtor and Allegria will still file their respective

claims against a particular estate, and thus, the rights of creditors will not be adversely affected by the proposed joint management of these cases.

10. Joint management will also relieve the Court of the burden of entering duplicative orders and unnecessarily maintaining separate files. In addition, supervision of the administrative aspects of these Chapter 11 cases by the Office of the United States Trustee for the Southern District of New York (the “United States Trustee”) will be simplified.

11. Accordingly, the Debtor submits that joint administration of the above-captioned chapter 11 case with the chapter 11 case of Allegria is in the best interests of both the Debtor and Allegria, all creditors, and parties-in-interest. The Debtor therefore requests that the official caption to be used by all parties in all pleadings in the jointly administered cases be as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

ALROSE ALLEGRIA LLC,

Debtor.

ALROSE KING DAVID LLC,

Debtor.

Chapter 11

Case No. 15-11760(SHL)

Chapter 11

Case No. 16-_____(SHL)

12. The Debtor also seeks the Court’s direction that a notation substantially similar to the following notation be entered on the docket of the Debtor’s case to reflect the joint administration of these cases:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of Alrose King David LLC and Alrose Allegria LLC. The docket in Case No. 15-11760 (SHL) should be consulted for all matters affecting this case.

13. Accordingly, the Debtors submit that joint administration of the above-captioned Chapter 11 cases is in the best interests of both Debtors, all creditors, and parties-in-interest.

NOTICE AND PRIOR APPLICATIONS

14. No trustee, examiner or creditors' committee has been appointed in this chapter 11 case. The Allegria Trustee was consulted in connection with and supports the Motion. Notice of the Motion has been given by email, facsimile and/or hand delivery on the Petition Date to: (a) the United States Trustee; (b) the creditors holding the twenty (20) largest unsecured claims against the Debtor's estate; and (c) all secured creditors known to the Debtors. In light of the emergent and procedural nature of the relief requested herein, the Debtor submits no other or further notice need be given.

15. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests the entry of an order, in substantially the form submitted herewith, granting the relief requested herein, and such other and further relief as may be just and proper.

Dated: New York, New York
March 4, 2016

Respectfully submitted,

/s/ Richard J. Bernard
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